Financial Statement
1999-2000

School Division Tax Loss Compensation Fund

101-00927/

Letter of Transmittal

The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour:

I have the honour to submit for your consideration the Financial Statements of the School Division Tax Loss Compensation Fund for the year ending March 31, 2000.

Respectfully submitted:

Jim Melenchuk
Minister of Education

SCHOOL DIVISION TAX LOSS COMPENSATION FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2000

SASKATCHEWAN

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the School Division Tax Loss Compensation Fund as at March 31, 2000 and the statement of revenue, expenditure and fund balance for the year then ended. The School Division Tax Loss Compensation Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the School Division Tax Loss Compensation Fund as at March 31, 2000 and the results of its operations and the changes in its cash flows for the year then ended in accordance with generally accepted accounting principles.

Fred Wendel, CMA, CA
Acting Provincial Auditor

Regina, Saskatchewan
September 20, 2000

Statement 1

School Division Tax Loss Compensation Fund
Balance Sheet
as at March 31

	2000	1999
ASSETS		
Due from General Revenue Fund (Note 4)	2,874,552	1,709,175
Accounts Receivable	162,005	160,759
	3,036,557	1,869,934
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	768,404	337,305
Fund balance (Statement 2)	2,268,153	1,532,629
	3,036,557	1,869,934

(See accompanying notes to the financial statements)

SCHOOL DIVISION TAX LOSS COMPENSATION FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2000

1. Purpose and Creation of the Fund

The School Division Tax Loss Compensation Fund (Fund) was created by an amendment to *The Education Act* through *The Treaty Land Entitlement Implementation Act*. The amendment came into force on June 22, 1993. On December 14, 1994, by Order in Council #840/94 the Lieutenant Governor in Council established regulations to administer the Fund.

The Fund is administered by the Department of Education on behalf of school boards. The purpose of the Fund is to provide tax loss compensation to school divisions that lose tax revenue as a result of lands within that school division being set apart as an Indian reserve. The Fund receives money from the provincial (Intergovernmental and Aboriginal Affairs) and federal (Indian and Northern Affairs Canada) governments as part of the Treaty Land Entitlement Framework Agreement. Payments are made to affected school divisions according to the formula stated in the regulations.

2. Significant Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles. The following accounting policies are considered significant:

a) accrual basis

The financial statements are prepared on the accrual basis of accounting.

3. Related Party Transactions

The fund has not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Department of Education. Included in revenue is $752,862 from Intergovernmental and Aboriginal Affairs, of which $50,255 was receivable at March 31, 2000.

4. Due From General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund. Under this arrangement, interest is calculated on the net position of the School Tax Loss Compensation Fund.

The Fund's share of this interest is allocated to it by the General Revenue Fund on a quarterly basis using the Government's thirty day borrowing rate.

School Division Tax Loss Compensation Fund
Statement of Revenue, Expenditure and Fund Balance
as at March 31

	2000	1999
REVENUE:		
Contributions	2,509,540	2,967,582
Investment Interest	108,139	85,059
Total Revenue	2,617,679	3,052,641
EXPENDITURE:		
Compensation to school divisions	1,882,155	2,225,687
Excess of Revenue over Expenditure	735,524	826,954
Fund balance, beginning of year	1,532,629	705,675
Fund balance, end of year (Statement 1)	2,268,153	1,532,629

(See accompanying notes to the financial statements)

5. **Compensation to School Divisions**

The following lists the organizations that have or will receive money from the Fund for the year ended March 31, 2000.

Organization	Amount	
	1999-2000	1998-99
Battlefords School Division #118	176,161	118,174
Biggar School Division #50	130,156	26,980
Borderland School Division #68	0	18,003
Broadview School Division #18	76,250	126,584
Crystal Lakes School Division #120	24,923	35,770
Cupar School Division #28	12,180	188,759
Deer Park School Division #26	63,102	32,409
Eastend School Division #8	5,048	35,662
Kamsack School Division #35	17,126	41,331
Landswest School Division #123	18,668	106,501
Maple Creek School Division #17	26,127	6,406
Meadow Lake School Division #66	0	561,600
Moosomin School Division #9	0	4,667
Northern Lakes School Division #64	226,118	317,904
Paynton School Division #102	82,643	4,821
Potashville School Division #80	209,490	81,884
Prairie View School Division #74	536,254	0
Regina(East) School Division #77	17,224	0
Sask. Central School Division #121	0	4,733
Saskatchewan Rivers School Division #119	50,972	0
Saskatchewan Valley School Division #49	35,161	64,161
Scenic Valley School Division #117	39,855	83,898
Shamrock School Division #38	24,011	129,260
Wadena School Division #46	19,076	5,894
Wakaw School Division #48	91,610	106,665
Yorkdale School Division #36	0	123,621
Total	1,882,155	2,225,687